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DEPT. OF WATER RESOURCES
SOUTHERN REGION

ANNUAL WATER USERS MEETING

January 9, 2006

WATER DISTRICT 37, BIG WOOD RIVER

WATER DISTRICT 37M, LITTLE WOOD RIVER AND SILVER CREEK

ITEM #1 CALL TO ORDER

Watermaster Kevin Lakey called the Annual Water Users meeting, held at the American Legion Building in Shoshone, Idaho, for Water District 37, Big Wood River and Water District 37M, Little Wood River and Silver Creek, to order at 1:03 p.m. on January 9, 2006. After thanking everyone in attendance for coming, he asked for nominations for a chairman.

ITEM #2 SELECTION OF CHAIRMAN

Bud Purdy made the motion that Bob Esterbrook preside as the chairman for the January 9, 2006 Annual meeting of Water District 37 & 37M. Gary Osborne seconded the motion. The motion passed unanimously.

ITEM #3 SELECTION OF SECRETARY

Chairman Esterbrook asked for nominations for secretary. Gary Osborne nominated Cyndi McCowan as the Secretary of the January 9, 2006 Annual meeting of Water District 37 & 37M. Dave Cropper seconded the motion. The motion passed unanimously.

ITEM #4 APPOINTMENT OF CREDENTIALS COMMITTEE

ITEM #5 REPORT OF CREDENTIALS COMMITTEE

Chairman Esterbrook asked for comments on Items #4 and #5. Bud Purdy moved to dispense of the credentials committee and the report of the credentials committee for the January 9, 2006 Annual meeting of Water District 37 & 37M. Gerald Bashaw seconded the motion. The motion passed unanimously.

ITEM #6 APPROVAL OF THE MINUTES FROM THE 2005 ANNUAL MEETING

After those in attendance had a chance to read the 2005 annual meeting minutes, Chairman Esterbrook asked for additions or corrections. Gerald Bashaw made the motion to accept the minutes from the 2005 annual meeting held on January 9, 2006 as presented. Jeff Niven seconded the motion. The motion passed unanimously.

ITEM #7 ADOPTION OF THE 2006 DISTRICT 37 BUDGET

Chairman Esterbrook asked for comments concerning the 2006 District 37 Budget. Watermaster, Kevin Lakey, was asked to discuss with the group the idea of continuing the Above Magic Riders current position for another year. He informed the group that the BWCC would not be continuing with ½ of the wages and benefits associated with the position after March 31, 2006. Knowing this, the advisory board at its September 27, 2005 meeting had decided to cover the other half of the salary and benefits within the district beginning April 1, 2006. When asked if the full time position was warranted? Kevin told the Group that he felt that with the States impending adjudication efforts, in a couple of years the district would be getting information from them anyway and that currently he did

not feel it is worth the extra expense involved. At that point, Kevin gave a presentation with a map showing the areas that the Above Magic rider covers and where his investigations had taken him thus far. Kevin also told those present that the State was still a couple of years out on the development of a Ground Water District within Water District 37 & 37M. It was discussed that it is a problem to employ someone for only 6 months of the year unless they had another position they could shift to after the irrigation season. When asked if the State would help fund the position, Kevin explained that he had explored that area previous to the hiring of the current rider and the State would only acknowledge the position as Contract Labor, there would be no benefits for that portion of the salary. Kevin's recommendation was to employ the rider for 6 months. Mr. Bud Purdy commented that possibly for now the Above Magic rider's position should be continued until that time in which the advisory board could decide if it should be revised.

Larry Schoen told of a proposal to develop a Hydrology study by Lee Brown in four phases to investigate the condition of the aquifer within the Wood River Valley. Richard Dinges remarked that the Above Magic rider's position could possibly be incorporated into the investigative work that will be involved with the Hydrology study therefore warranting the additional portion of the salary. Chairman Esterbrook ask Mr. Schoen if the District could be kept apprised of any information found in their study.

In other discussion, Secretary, Cyndi McCowan told the group that the IRS standard mileage rate had been changed since the last advisory board meeting. She commented that the rate for 2006 had been lowered from \$.485 per mile (the amount recommended for the last three months of 2005) to \$.445 per mile. The advisory board had recommended an amount of \$.50 per mile, due to gas reaching nearly \$3.00 per gallon, but at this time, has gone down nearly a \$1.00 per gallon. She also told them that the State Unemployment rate had been raised from 1.429% in 2005 to 3.499% in 2006. She mentioned that there had been a freeze on the rates by the state legislature and it had been lifted for 2006. Jeff Niven moved to accept the Proposed 37 Budget, with the conditions that the advisory board review the Above Magic riders position in late summer 2006 to determine if continuation of the investigative work was worth the time and money involved. Also that the advisory board review at its quarterly meetings the amount to be paid for ditch rider mileage as suggested by the IRS. Greg Lierman seconded the motion. The motion passed unanimously.

ITEM #8 ADOPTION OF THE 2006 DISTRICT 37M BUDGET

Chairman Esterbrook asked for comments concerning the 2006 District 37M Budget. Watermaster, Kevin Lakey, told those present that the advisory board had added \$5000 to the budget for the time when the permits were completed with the EPA so that maintenance on Silver Creek could be done, if needed. Bud Purdy moved to accept the Proposed 37M Budget as presented. Joe Pavkov seconded the motion. The motion passed unanimously.

ITEM #9 ADOPTION OF THE RESOLUTIONS FOR DISTRICTS 37 AND 37M

Chairman Esterbrook asked for comments concerning the resolutions. Jeff Niven commented that #6 needed to be reworded changing the word shall to may. Dave Cropper made the motion that Resolution #6 be changed to read: BE IT RESOLVED that the Deputy Watermaster for the Big Wood River, Water District 37, Above Magic Reservoir, may remain in service for 12 months from the date of hire. Gary Osborne seconded the motion. There was no more discussion. The motion passed unanimously.

ITEM #10 SELECTION OF ADVISORY BOARD MEMBERS

Gordon Sorensen asked to be relieved as the Big Wood Below Magic Reservoir Advisory board member. Gary Osborne made the motion for Howard "Butch" Morris to serve as the Big Wood Below Magic Reservoir Advisory board member replacing Gordon Sorensen. Greg Lierman seconded the motion. The motion passed unanimously. Chairman Esterbrook asked if there were any questions or comments on the currently serving members of the advisory board? Gary Osborne made the motion to confirm the advisory board members as follows:

<u>Bill Arkoosh</u>	<u>Little Wood Hydropower</u>
<u>Fred Brossy</u>	<u>Lower Silver Creek/Little Wood River</u>
<u>Bob Esterbrook</u>	<u>American Falls Reservoir District #2</u>
<u>Jerry Nance</u>	<u>Big Wood Canal Company</u>
<u>Bud Purdy</u>	<u>Upper Silver Creek</u>
<u>Howard Morris</u>	<u>Big Wood Below Magic Reservoir</u>
<u>Robert Struthers</u>	<u>Big Wood Above Magic Reservoir</u>

Greg Lierman seconded the motion. The motion passed unanimously.

ITEM #11 DISTRICT NEWS AND UPDATES

Watermaster Kevin Lakey, stated that he had covered the issues he wanted to Discuss previously in the meeting. He also stated that as time goes one, he felt that there would be more and more issues of water that come up. He then thanked everyone for attending.

ITEM #12 Adjournment

Gary Osborn made the motion to adjourn the meeting. Dave Cropper seconded the motion. The motion passed unanimously. The meeting was adjourned at 2:08 PM.